



AES Broadcast 8/2/2002

Broadcast # 2002049

TO: AES PARTICIPANTS UTILIZING OPTION 4 AND
DEC EXEMPTIONS

FROM: U.S. CUSTOMS SERVICE

Subject: Customs AES Exemption Statement Operation

As of May 1 2002, U.S. Customs has been verifying and enforcing the validity of AES exemption statements. This nationwide operation is being conducted across all modes of transportation.

Since the start of this operation, several recurring errors have been identified for both Option 4 and Data Entry Center (DEC) filers.

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Option 4 Filers  
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AES Option 4 is a privilege for eligible U.S. Principal Parties in Interest (USPPI's) and their continued participation will be held to a higher standard of AES reporting. Recurring Option 4 errors:

1) Late Filing ? Instances where transmission to AES occurs after the 10-day post-departure window granted to Option 4 participants. One Option 4 shipment was transmitted to AES nearly one month after the export date.

2) False Claims - Option 4 exemption statements annotated on export documentation for which the USPPI does not have the privilege.

3) Incorrect Exemption Statement ? The Option 4 exemption statement must be clearly annotated on the export documentation. The exemption statement must use the formats provided in the Foreign Trade Statistics Regulations (FTSR) Letter #168 Amendment 1. The Exporter's ID number EIN) must be provided so Customs can verify the Option 4 claim.

Customs will continue to closely monitor the use of Option 4, and will, in cooperation with Census, issue warnings when errors occur. Please refer to 19CFR192.13 and specifically

19CFR192.13(a)(3)which provide for revocation when "The exporter fails to substantially comply with export regulations." Failure to remedy a pattern of errors such as those outlined above may constitute grounds for revocation of Option 4 filing privileges.

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Data Entry Center (DEC) Filers  
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Failure to file sensitive shipments (i.e. ITAR or EAR controlled) pre-departure has been identified as a common error among DEC filers.

DEC filers must adhere to pre-departure filing requirements for licensable and/or controlled shipments. This means that AES transactions for these shipments must be transmitted to and ACCEPTED by AES prior to the departure of the exporting conveyance. Controlled shipments will be subject to enforcement when AES reporting is not timely.

It is currently NOT Customs policy to detain, seize, and/or re-deliver DEC shipments based on AES exemption (XTN/ITN) problems alone. However, Customs reserves the right to examine, detain, seize, and/or re-deliver cargo based on enforcement concerns.

If you have any questions or concerns, please contact your Customs or Census Client Representative.